

Energy and Environmental Advocacy
Office of Consumer Protection
Annual Report
Fiscal Year 2010

In FY10, the Montgomery County Office of Consumer Protection (OCP) advocated on behalf of Montgomery County on numerous fronts. OCP continues to fulfill its mandate under the legislation led by Council Vice-President Berliner as codified in Bill #35-07, Consumer Protection – Energy and Environmental Advocacy, and Bill #31-07, Real Property – Energy Performance. Effective August 2008, Bills #35-07 and #31-07 specifically established a role for OCP to work with other County agencies in the area of energy and environmental issues to advocate for the County's interests in obtaining the lowest possible utility rates consistent with environmental stewardship and to assist consumers with information regarding utility usage and costs.

These bills established the following mandates for OCP:

- Work with other County agencies to advocate for the County's interests in obtaining the lowest possible utility rates consistent with environmental stewardship, and
- Assist home sellers and buyers to obtain information about utility usage and costs.

Accomplishments

- OCP partnered with the Department of Environmental Protection and the Greater Capital Area Association of Realtors to develop materials to facilitate the disclosure of energy costs and consumption history required of home sellers and to provide information on the benefits of home energy and energy-efficient improvements. Drafted executive regulation to ensure that residential sellers and their agents know how to comply with Bill #31-07, Real Property – Energy Performance.
- Conducted investigation into BGE Homes' direct mail solicitations that appeared to mislead consumers in that contract terms and conditions were not provided in the advertisement. OCP entered into settlement agreement with BGE Homes whereby they agreed to change their business practices, including their advertisements, to include more disclosures.
- Developed a website devoted to energy and environmental advocacy including FAQs and additional resource information.

- Investigated Washington Gas Energy Services (WGES) regarding misleading advertisements that encouraged residential consumers to switch their electricity supplier from Potomac Electric Power Company (Pepco) to WGES. This investigation resulted in a settlement agreement between OCP and WGES wherein WGES agreed to change their business practices.
- Ensured that advertising in the EmPOWER Maryland General Awareness Campaign was not misleading or deceptive to consumers.
- OCP has intervened in several Public Service Commission cases involving issues related to:
 - establishment of energy and demand reductions goals (EmPOWER Maryland)
 - Pepco storm report investigations
 - promoting accurate pricing information to consumers
 - rate making regarding streetlights
 - rates and rate increases
 - smart meters/smart grids
- OCP submitted the following official filings with the Maryland Public Service Commission:

[\(ML# 122934\)](#) Montgomery County, MD Office of Consumer Protection filed, on May 04, 2010, Comments. Case No. 9228

[\(ML# 121430\)](#) Montgomery County Maryland Office of Consumer Protection filed, on February 12, 2010, Petition to Intervene. Case No. 9217

[\(ML# 120883\)](#) Montgomery County MD, Office of Consumer Protection filed, on January 14, 2010, its comments regarding Potomac Electric Power Company's Application for an Increase in its Retail Rates for the Distribution of Electric Energy.

(ML# 118993) The Montgomery County Office of Consumer Protection filed, on September 30, 2009, a request for copies of all records pertaining to complaints filed against Washington Gas Energy Services in accordance with the Freedom of Information Act.

[\(ML# 117975\)](#) Montgomery County Office of Consumer Protection filed, on July 27, 2009, its Comments on BGE's Application to Deploy a Smart Grid Initiative and to Establish a Tracker Mechanism for the Recovery of Costs. Case No. 9208

Continuing Initiatives

- Participate in Montgomery County's Sustainability Working Group and PSC's EmPOWER Maryland General Awareness Work Group.
- Identify issues under OCP's mandate and consult with legal and other environmental experts on matters affecting Montgomery County's energy and environmental interests.
- Coordinate activities with Montgomery County's Department of Environmental Protection (DEP).
- Stakeholder meetings with the Maryland Clean Energy Center and Montgomery County to develop Montgomery County's Home Energy Loan Program (currently on hold).

Maryland Public Service Commission

OCP identified the following cases in which we provided written or oral testimony to advocate on behalf of Montgomery County:

1. EmPOWER Maryland Energy Act of 2008 (EmPOWER Maryland)

Allegheny Power (Case # 9153)

Baltimore Gas and Electric Company (BGE) (Case # 9154)

Potomac Electric Power Company (PEPCO) (Case #9155)

This is a continuation of cases designed to establish energy and demand reduction goals in Maryland of 15% by 2015. The three electric companies that provide service in Montgomery County filed energy efficiency, conservation, and demand response programs with the PSC pursuant to these EmPOWER Maryland cases.

OCP testified at a hearing regarding Case #9155 advocating for coordination and collaboration with local government energy efficiency efforts. The Commission encouraged such synergies and said it is hopeful that the programs instituted by Montgomery County will be utilized in connection with Pepco's programs.

2. Smart Grid/Advanced Metering Infrastructure (AMI) (Case #9208)

OCP submitted written comments and attended a PSC Administrative Meeting regarding BGE's Smart Grid proposals. Promotion of smart grid technologies by utilities serving Montgomery County was one of the recommendations made in the Climate Protection Plan issued by the Sustainability Working Group. "A 'smart grid' is an advanced transmission and

delivery system that uses digital technology to save energy and reduce costs.” In our comments, OCP requested that the Commission institute a full evidentiary hearing of the BGE proposal and that the Commission avoid any overlap between the surcharge mechanism and cost recovery under the EmPOWER Maryland filings that had already been approved.

3. Pepco Application for an Increase in its Retail Rates (Case #9217)

OCP filed comments on Pepco’s application for an increase in its retail rates for the distribution of electric energy. In our comments, OCP requested the Commission open a case to review PEPCO’s proposal. Among the issues raised by OCP was that the application included significant ratemaking treatments that had not previously been proposed by PEPCO and that it referenced multiple issues in one proceeding, some of which had been previously decided by the Commission and some that were still pending before the Commission. The filing would also affect the County as a customer since they are changing the maintenance fees on overhead-fed street lights. After the Commission opened a case to review PEPCO’s proposal, OCP intervened as a party in the matter and attended a public hearing on the matter.

4. Price to Compare (Case #9228)

OCP provided written comments which expressed concerns with both the calculation and display of the Price to Compare by the investor-owned utility and with the display and use of the Price to Compare by the electricity marketers.

Summary

In FY10, OCP has continued partnerships with the various stakeholders including DEP. OCP supports the County Executive’s initiative to form a workgroup to address Pepco’s reliability and service performance issues. The current reliability and service performance issues regarding Pepco have dramatically expanded OCP’s role with respect to our mandate.

In addition, OCP continues to advocate for Montgomery County and its residents on a variety of energy and environmental issues including investigations into marketing companies’ electricity and natural gas sales; home services advertising; and solicitations and contracting practices. OCP intervened in several proceedings before the Public Service Commission including a proposal for AMI/SmartGrid implementation and regulatory asset treatment by electric utilities serving Montgomery County; review of PSC’s Office of External Relations charged with handling customer complaints; and review of Montgomery County storm reports.

In FY11, OCP anticipates confirmation of special counsel to represent the interests of Montgomery County before the Public Service Commission; the creation of a Pepco workgroup by the County Executive; and designation of staff as OCP's resident energy expert on a full-time basis. OCP continues to reiterate that continued success of this program is directly related to availability of sufficient resources.



Ensuring Integrity
in our Marketplace

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